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SANCTIONS: THE CALCULUS OF COERCION

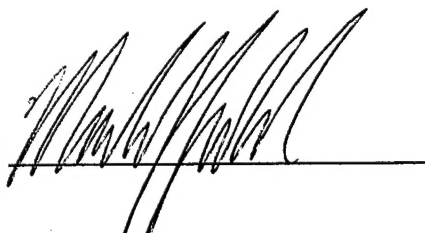
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A paper submitted to the Dean of Academics, Naval War College, for the B. Franklin Reinauer II Defense Economics Prize essay competition.

The contents of this paper reflect my own personal views and are not necessarily endorsed by the Naval War College or the Department of the Navy.

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15. Abstract: Of the three components of a national security strategy, the one that seems to be the most used, but least understood in terms of impact and efficacy is economic; specifically, the use of economic power in the service of national interests. That very often, economic coercion doesn't work or has unintended consequences show that the use of economic power as an instrument of policy is problematic. Often, sanctions are imposed as a consequence of the lack of feasible alternatives- military action would be too massive, and diplomatic protest too meager- than for any intended effect. Prior to any action being taken, an "economic preparation of the battlefield" or "EPB" should be done. Much like the intelligence preparation of the battlefield (IPB) that defines military operations, the EPB provides the basis for determining how friendly courses of action, specifically economic warfare, will affect the enemy and how the enemy will respond. The calculus of coercion states that the cost of compliance must be less than the cost of sanctions for economic coercion to have an effect. If, on the other hand, the cost of compliance is greater than the cost of defiance, the end result will be defiance. By methodically and analytically looking at the enemy and his systems, a logical and causal path can be laid out to achieve the desired effect.			
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National security strategy is thought to have three components: military, political and economic. Of these, the one that seems to be least understood in terms of impact and efficacy is economic; specifically, the use of economic power in the service of national interests. More and more it seems that whenever there are problems in the world that make us want to "fix" something, the first choice always seems to be to use economic coercion. That very often these attempts do not work or have unintended consequences shows that the use of economic power as an instrument of policy is problematic. Some commentators see sanctions as a veritable panacea for all ills; others call for strict limitations on when sanctions should be used. It has become fashionable in some circles to argue that sanctions do not work; this has indeed become the common wisdom: sanctions are not effective.<sup>1</sup> The absoluteness of this argument should give us pause. Sanctions are not always ineffective; many times they do work. To understand when sanctions are an effective instrument of national power, we must first look at how and why they work. This will take us into the realms of both the economists and the political scientists, each of whom have their own beliefs for how and why sanctions can be effective tools of national power. We will look at the underlying theories behind each of their rationales for the use of sanctions. Then we can look at some guidelines to determine when economic power is an appropriate choice to achieve national objectives.

Let us start with a look at the economic basis for sanctions. According to Klaus Knorr, there are four distinct purposes for which national economic capabilities afford international leverage. These are coercion; to extract monopoly profit; direct impact on the security, welfare and capabilities of another nation; or to gain a position of influence

over another.<sup>ii</sup> Other than to extract a monopoly profit, the others have as their rationale the gaining of advantage over another state. While we will focus on coercive sanctions, the other two purposes for economic power are also frequently used, and, in many instances, the various types of purposes are combined for specific effect. In the last case, that of gaining an advantage over another state, this is often done on friendly terms. Many times one nation will offer something of value to another state at particularly advantageous terms. This can help to cement a friendly relationship, bind another nation into one's sphere of influence or set the stage for future relations. The case of having a direct impact on the security, welfare and capabilities of another nation often refers to the prohibition of exporting certain materials or technology to other states. In our quest to prevent nuclear proliferation, we restrict the sale of fissile materials to other states. In much the same way, the United States has placed export controls over certain technologies in an effort to stop or delay other nations from reaching the same stage of technological development. While it is tempting to believe that we can, in fact, stop other nations from achieving some technological feat, that has not been the case in reality. Instead, we can delay their progress, often for extended periods of time. "The attempt to deny military or economically strategic materials or technology to a potential adversary is and will remain the most widely practiced form of embargo."<sup>iii</sup>

In order for coercive sanctions to have an effect, first depends upon an asymmetrical relationship between the economic interdependence of the two competing powers. In other words, if the interdependence is symmetrical, then the imposition of sanctions would have equal effects on each power; that would not lead to a desired result

since each party would be equally hurt by the sanctions. In an asymmetrical relationship, the hurt felt by the imposing power is less than that felt by the targeted country; any other relationship will not lead to the imposition of sanctions. "Defiance will occur when the economic burden falls short of the cost of compliance."<sup>iv</sup> If this is not the case, and the estimation of this relationship is usually where sanctions first go wrong, then the sanctions will not have the intended effect. This is a critical point and one that needs to be emphasized. The calculus of coercion says that if the cost of compliance is greater than the cost of defiance, the end result will be defiance. If, on the other hand, the cost of compliance is less than the cost of defiance, the end result will be compliance. We will examine this relationship in more detail later, but two points must be made now. First, the cost of compliance is for the decision-maker and not necessarily for the country as a whole. Second, these equations equally apply when the costs of defiance are economic, political or military— whether the costs are induced through sanctions or bombs. If the cost of compliance is greater than the cost of defiance, the end result will be defiance. If, on the other hand, the cost of compliance is less than the cost of defiance, the end result will be compliance.

In order for there to be the basis for sanctions, three factors must be present.<sup>v</sup> First, the imposing country {A} must have a high degree of control over the supply of something the targeted nation {B} values. This does not require that A has complete control over that supply. What level of control or how to gain control then becomes another factor in whether the sanctions will work. "The historical record shows very few cases in which control over supply by a single state was sufficient to produce effective

economic coercion when the conflictual issues at stake were important to both actors.”<sup>vi</sup> If one state is not sufficient, the imposing country must then try to create a group of like-minded states to effectively control the flow of goods; this decreases the likelihood that leakage will occur. The near total embargo of Iraq, during and following Desert Shield, was defeated by the leakage of those goods critical to the survival of the Iraqi regime.<sup>vii</sup> Indirect trade is another response to the imposition of sanctions, and it often takes place when there are non-participating states that continue trade. By 1915, U.S. imports to Germany were curbed; however, indirect trade through the north European neutrals had greatly expanded. For example, U.S. exports to Denmark had increased from \$558,000 in November 1913 to \$7 million in November 1914.<sup>viii</sup>

Second, B’s need for the supply must be intensive and critical. Again, this is often the source of many of the errors that we make when we apply sanctions. How much does B really need this supply? “Germany began the war [WWI] with an annual requirement of 300,000 tons of cotton for the manufacture of explosives. In the first year this amount was imported via the neutrals. As these supplies dried up, textile production was cut by seventy percent and Germany appealed to her chemists. They succeeded in obtaining nitro-cellulose from wood pulp instead of cotton.”<sup>ix</sup> This solved their munitions problem.

Third, B’s costs of compliance with A’s aims must be less than the costs of doing without the supply. This relates directly to the real target of the sanctions. When the cost of compliance means giving up power, the costs to those in power must therefore be proportionally large. Too often, however, the real costs of the sanctions are not borne by those who have the power to change the offending policy. As former U.S. Secretary of

Defense James Schlesinger said about sanctions in Haiti, "According to a recent Harvard University Study, 1000 children a month are dying in Haiti as a result of the embargo. The elite, whom we seek to punish, suffer comparatively little. Even sufficient oil flows over the border from the Dominican Republic to serve the requirements of the well-to-do and the military. Those on the margin of existence are the ones to suffer."<sup>x</sup> Remember that the calculus of coercion states, "If the cost of compliance is greater than the cost of defiance, the end result will be defiance. If, on the other hand, the cost of compliance is less than the cost of defiance the end result will be compliance." The situation in Haiti reinforces the first lesson of the calculus of coercion. When figuring if the cost of compliance is greater than the cost of defiance, the cost of compliance is for the decision-makers and not necessarily for the country as a whole. Since the sanctions against Haiti affected the people and not the leaders, the sanctions did not work and the government was only changed upon the real and credible threat of U.S. force and efforts to provide a safe haven to the soon-to-be-deposed military leaders.

To complete the foundations for coercive economic actions, we need to look at how these actions are tied to the implementing power {A}. There are again three requirements for the use of coercive economic power.<sup>xi</sup> The first is that there must be close control over precious economic assets. This means that the imposing government must have the means to enforce the embargo amongst its own citizens as well as those of other competing states. In 1806, during the Napoleonic wars, France established the Continental System. This embargo of trade with Britain was unsuccessful. An example is

the fact that "In 1810, Great Britain's wheat imports reached a record high figure of 12.5 million bushels, with 1.8 million bushels being imported, ironically, from France."<sup>xii</sup>

The second requirement is that a state must possess the political will and ability to impose a coercive economic action. Often when one is attempting to use a coalition to amplify the effect of the sanctions or to remove the possibility of leakage, one finds that not all countries will implement the sanctions in the same way or to the same extent. "In early 1995, reports surfaced that Iraq was exporting by truck through Jordan and Turkey and had thereby earned \$700 to \$800 million dollars in the past year. Iraqi willingness to sell the petroleum for as little as \$8 a barrel when the market value was \$14 created lucrative margins for the Turks and Jordanians who facilitated the illicit trade."<sup>xiii</sup>

The third and final requirement is skill in statecraft. This leads us into a discussion of the broader reasons why sanctions are imposed and what results the imposing states want from the sanctions. While economists see mostly an economic rationale for sanctions, those in the political arena have come up with their own ideas for how sanctions can aid in statecraft. Political theorists give three reasons why sanctions are imposed, and none of them is effectively coercive or apparently, economically based; to demonstrate resolve, to deter, and to act as a surrogate for other measures.<sup>xiv</sup> Originally, sanctions against Cuba started after the Bay of Pigs fiasco and concurrent with the increasing U.S. commitment to Vietnam. Sanctions were, in this case, a surrogate for military action. Over time, despite the failure of these sanctions to depose the communist government, the embargo came to be viewed primarily as a deterrent to other leftist leaning nations. Indeed, as Renwick notes, "By no means the least of the difficulties



attending the application of sanctions has been the problem of terminating them.”<sup>xv</sup> This might be why she concludes that, “Embargoes often are maintained for historical reasons.”<sup>xvi</sup>

These same political theorists have come up with three messages that the imposition of sanctions sends to the world at large, the international allies of the imposing country and the imposing country’s domestic populace.<sup>xvii</sup> Internationally, sanctions tell the world that the imposing country does not condone the actions of the target country. Sanctions also tell the international partners that words are backed up by actions. The final message is driven by domestic politics; it tells the public that the government will protect its vital interests and that the interest being protected is vital. “It is quite clear, for example, that ... U.S., European, and Japanese sanctions against China in the wake of the T’ienanmen Square massacre, were designed principally to assuage domestic constituencies, to make a moral and historical statement, and to send a warning to future offenders of the international order.”<sup>xviii</sup> This brings us to a new and broader area to consider — apparently coercive sanctions applied for non-coercive reasons.

That said, Jenkins gives five coercive objectives for these non-coercive sanctions: “1) modest policy change in the target country; 2) destabilization of the target government; 3) disruption of a major military adventure; 4) impairment of the military potential of the target country; and 5) major policy change in the target country.”<sup>xix</sup> It is precisely this confusion about why nations impose sanctions that causes countries to fail to have a clear and obtainable objective for their sanctions. Worse, countries imposing

sanctions often have a different objective than their stated one and thus fail to identify the proper target to achieve their real objective.

Often, the decision to impose sanctions is made due to the lack of feasible alternatives and not for any intended effect. It seems sanctions are often imposed *because we can*. This disagreement on reasons why nations impose sanctions between the economists on one hand and the statesmen on the other highlights the problems that governments have to come to grips with when economic reprisals are considered. "Sanctions frequently — one might almost say, generally — are decided in large measure as a consequence of the lack of feasible alternatives."<sup>xx</sup> Renwick continues, "In virtually all the cases in which sanctions have been applied, however, the purpose has also been *demonstrative*. In a good many instances the demonstration of disapproval appears to have been the main purpose of applying sanctions."<sup>xxi</sup> So why do we impose sanctions? "World leaders often decide that the most obvious alternatives to economic sanctions are unsatisfactory— military action would be too massive, and diplomatic protest too meager. Sanctions can provide a satisfying theatrical display, yet avoid the high costs of war. This is not to say that sanctions are costless, just that they are often less costly than the alternatives."<sup>xxii</sup>

Sanctions, in a sense, were conceived as a means of resisting aggression without the need for resort to the use of force. Their main attraction has been as a way of exerting pressure on a recalcitrant power without causing excessive risks to the country applying them. "The theory of sanctions rests on the assumption that if subjected to economic penalties a nation will, as a matter of self-interest, change its conduct. The idea of an

automatic correlation between economic deprivation and the loss of the political will to resist is, to say the least, questionable."<sup>xxiii</sup> In fact, the relationship between sanctions and resistance to them is often direct and linked. "We can suggest, however, that—everything else being equal—defiance of external economic pressure is more likely, the greater the general support of and trust in government, the more the political culture demands solidarity in the face of foreign aggression, and the less the public prefers immediate private economic welfare to other social goals and goods."<sup>xxiv</sup> This may be why most studies of sanctions conclude, "Attempts at international economic coercion often fail."<sup>xxv</sup> Not everyone agrees with that conclusion. The economist, Haider Ali Khan, proposes that the measures of effectiveness used in deciding the efficacy of sanctions are often wrong, that they are focused on lofty goals and should, instead, be looking at intermediate effects. "Such effects as an increase in the willingness of a recalcitrant country in the international system to negotiate I have called the induced effects of sanctions."<sup>xxvi</sup> This means that while the stated ultimate objective of the sanctions might not be achieved, the lesser effects, when combined with diplomacy, might have a proportionally greater effect than the critics are willing to acknowledge.

Sanctions most often fail because of the dual failures of unclear objectives and uncertain targets to achieve those unclear aims. So far we have been considering the objectives for which sanctions are imposed; however, to ensure that the sanctions are effective, the appropriate target must also be selected. Yet how many times have we heard a leader say (when discussing some economic or political action that we are taking against a nation) that we have no quarrel with the people of some nation, it is only with

their leader? Going back to the fundamental equation for sanctions, the calculus of coercion states that the cost of compliance must be less than the cost of sanctions for economic coercion to have an effect. If, on the other hand, the cost of compliance is greater than the cost of defiance, the end result will be defiance. To examine the truth of this proposition, we will look at the contrasting cases of Cuba and South Africa.

Generally, in a democracy, concern for the welfare of its citizens (even if this is extremely and arbitrarily limited) is a common characteristic. This makes democracies more vulnerable to economic weapons than dictatorships. Dictatorships are inherently more problematical to attack through embargoes if the goal is a change in government. It is clearly not in the interest of those in charge to submit to economic coercion, especially, not if they have been demonized and face legal as well as economic penalties above those of losing power and having to live in exile. To make matters worse, the punitive and apparently reflexive use of sanctions often targets those with no power other than to rise up and attempt to overthrow the offending dictator. This is the case in Cuba where the privations of the people are indirectly proportional to their power.

Sanctions against Cuba, as they are presently constituted and partially implemented, are not an effective weapon unless the suffering of the Cuban people is immaterial and the strengthening of Castro's regime is the objective. Since the communists control the means of distribution, the effect of sanctions is to place the distribution of what little goods reach the island in the hands of Castro's henchmen and reinforce his control of the system by giving him the means to reward and punish. Sanctions also provide a built-in excuse for the failure of the communist government to

transform Cuba into the promised workers' paradise. The calculus of coercion says that if the cost of compliance is greater than the cost of defiance, the end result will be defiance. If, on the other hand, the cost of compliance is less than the cost of defiance, the end result will be compliance. Remember that the cost of compliance is for the decision-maker (Castro) and not necessarily for the country as a whole. Thus the clear mismatch between the "target" of the present sanctions (Castro) and the ability of the group most effected by the embargo to change the government (the people) has ensured the failure of our Cuban policy. Sanctions, rather than mortally weakening the Castro government, have perpetuated its mismanagement and misrule; yet, they still remain U.S. policy. Anger at our impotence to depose Castro, rather than logic, seems to be the primary purpose behind the embargo. Clearly, self-interest and pragmatism, not anger, should form the basis for national policy.

South Africa stands in stark contrast to our Cuba policy. Despite taking 47 years to achieve the intended effect, ultimately the sanctions were, at least partially, responsible for the end to white-only rule and the policy of apartheid. Here, the costs of compliance, though onerous to the white minority, ultimately were less costly than the continuing affect of the sanctions. During the period of implementation, economists throughout the world studied the effect of the sanctions on South Africa and its population, and used models to propose new actions. This paid dividends in choosing the proper targets and sanctions designed to affect that group. This analysis of vulnerabilities gave direction to the sanctions and ultimately assured their success. The UN orchestrated and internationally supported sanctions against South Africa were effectively publicized

under the banner of human rights. This struck the right note with the United States and other western countries and led to people's sanctions that targeted the white elite. That South Africa was a democracy, though limited to whites, was another vulnerability that was perhaps the most important factor as to why sanctions ultimately worked. The calculus of coercion says that if the cost of compliance is greater than the cost of defiance, the end result will be defiance. If, on the other hand, the cost of compliance is less than the cost of defiance, the end result will be compliance. When the cost of defiance was raised to where the white elite were seeing their wealth eroded, a policy of negotiation and compromise was seen by that same white elite as being less costly than further defiance.

Now that we have some understanding about the how and why economic sanctions work, let us look at one of the theories describing when economic sanctions are an effective tool of national power. Ambassador Paul Taylor devised six tests to determine a successful strategy for economic sanctions.<sup>xxvii</sup> These strategic criteria assume that the purpose of the sanctions is coercive, rather than demonstrative, but provide a clear, though subjective framework for determining if sanctions are an appropriate policy choice.

The first test is of the will of the imposing nation, "Our domestic public and businesses support the action."<sup>xxviii</sup> Without the support of the public, sanctions will be half-hearted and ineffective; more importantly, they will be of short duration. Yet, studies have shown that sanctions take time to work. One of the most serious problems in the

application of sanctions has been the very long time (two to three years) required for them to have their maximum effect.<sup>xxix</sup> Thus if there is insufficient support for the imposition of sanctions, they will most likely be lifted prior to having their intended effect. This is due to the cost of sanctions. "They are liable to inflict considerable economic damage on those applying them, as well as on those to whom they are applied."<sup>xxx</sup> Frank Kittredge, President of the National Foreign Trade Council estimates that in 1995 alone, "... sanctions in place had cost the U.S. economy some \$15 billion to \$20 billion in lost exports. And that could translate into ... 200,000 to 250,000 jobs."<sup>xxxi</sup> Is it any wonder that the imposition of sanctions will disadvantage some party who will then use any available political leverage to encourage the lifting or modification of the sanctions? An example is the pressure economic and political interests placed on the Clinton administration when the White House was considering denying most favored nation trading status to China because of human rights abuses. "Executives from AT&T, General Electric, and Dow Jones sharply criticized the administration's human rights policy during Secretary of State Christopher's March 1994 visit to Beijing. Executives of 450 California companies signed a petition urging the White House to delink trade relations. Nearly 800 companies wrote to the president to urge him to separate trade from human rights."<sup>xxxii</sup>

The second test is one of susceptibility, the degree to which the adversary is susceptible to economic pressure and how it will react to it. One of the findings of Doughty and Raugh was:

In those cases when an embargo is effective or appears to have the potential to be effective, a state suffering from the embargo may adopt a radical strategy and embark on a desperate course of action. Forced to choose between the slow strangulation of their country or an extremely risky operation, leaders have sometimes chosen seemingly undesirable alternatives. Viewed most positively, this could be considered an indicator of an embargo's success, for the selection of a radical alternative has usually pushed the embargoed country down a disastrous path. On the other hand, reckless actions clearly raise the stakes for all belligerents, and their outcomes cannot be predicted with certainty.<sup>xxxiii</sup>

Often when considering what type of action to take against an oppressive regime, we mirror image or assume that they will react much as we would — usually, this is wrong. “In devising economic sanctions’ options, ... it becomes even more important to better understand the value systems functioning in those countries; to better understand what their governments and respective leaderships value as a nation; what their goals are; and specifically, how they are attempting to achieve them. These steps can contribute, in part, to devising pragmatic economic sanctions options with a view to achieving the desired political objectives vis-a-vis the targeted governments.”<sup>xxxiv</sup>

The third test states, “Know who in the target country will be hurt by economic sanctions and whether they have the enough political clout to make their government accept our demands.”<sup>xxxv</sup> As W. Michael Reisman and James E. Baker observe, “The use of overt and covert economic strategies against a thug will have no effect, for as reported about Noriega or Idi Amin in Uganda, he may not care that his country is being impoverished. As sanctioning states tighten the economic screws, the victims are innocent. In the meantime, the wicked dictator may continue to wreak havoc on the people. In other circumstances, the suffering community may simply lack the means of



removing the wicked dictator."<sup>xxxvi</sup> Put more bluntly, "Economic strangulation is an ugly and blunt instrument, and it provides no swift or certain leverage against the actions of a ruthless government."<sup>xxxvii</sup>

The fourth test to be applied is whether other countries will cooperate with sanctions. The case of Rhodesia (Zimbabwe) is a case in point. In 1965 the United Nations imposed comprehensive sanctions against Rhodesia. These widespread sanctions failed to achieve their stated intention primarily because of the non-participation of South Africa.<sup>xxxviii</sup> Even when there is widespread support for sanctions, the requisite political will might not be present. As stated earlier, sanctions have a cost. This cost is not only borne by the target and imposing countries, but by the neighboring countries as well. "These may be no less severe than the impact on the 'target' country."<sup>xxxix</sup> The sanctions on Iraq and their impact on Jordan help to illustrate this point. To set the stage, in 1987, while almost 50 percent of Jordan's imports came from the United States and Western Europe, these same countries bought less than 10 percent of Jordanian exports. Iraq continued to be Jordan's largest export customer. Jordan exported nearly JD60 million worth of goods to Iraq, but most of this figure resulted from transit and re-export rather than from bilateral trade.<sup>xl</sup> "In mid-1989, the Jordanian Government began debt-rescheduling negotiations and agreed to implement an IMF-supported program designed to gradually reduce the budget deficit and implement badly needed structural reforms. The Persian Gulf crisis that began in August 1990, however, aggravated Jordan's already serious economic problems, forcing the government to shelve the IMF program, stop most debt payments, and suspend rescheduling negotiations."<sup>xli</sup> Is there any wonder that

when faced with sanctions that could prove devastating to the Jordanian economy, Jordan continued to trade with Iraq in defiance of UN resolutions?

The fifth test is to look at the burden of sanctions versus the costs of compliance. In order to induce a nation to change a domestic or foreign policy, the calculus of coercion states that the cost of compliance must be less than the cost of defiance. The difficulty in this equation is to determine the real costs of compliance as well as the real costs of defiance to the targeted nation. Despite our wish that sanctions will always work since they are a supposedly low cost and low threat means of achieving our will, economic coercion does not always work. The effect of sanctions depends, in large part, to the type of government of the targeted nation. The more authoritarian or unrepresentative the government, the more it is immune to pressure placed on its population. This highlights the difficulty in using sanctions in precisely those human rights types of cases where they are usually considered to be the choice of first resort.<sup>xlii</sup>

In 1992, Congress passed the Cuban Democracy Act, which tightened sanctions and prohibited the foreign subsidiaries of U.S. companies from conducting trade with Cuba—trade that had reached \$705 million annually by 1990 and had tripled since 1988. “The rationale behind the bill is that the damage to U.S. business and foreign relations will be offset by the effect the upgraded embargo will have within Cuba. The Cuban people, already suffering from widespread shortages of food, gasoline, electricity and consumer products, theoretically will reach their breaking point. They will demand not only meat and potatoes— items now in limited supply— but a free press and multiparty elections.”<sup>xliii</sup> The costs of sanctions are primarily borne, not by the elite, which has

access to foreign goods, but by the people who live in grinding poverty. For Cuba, the costs of compliance are no less than the loss of power and privilege for Castro and his supporters as well as the loss of their way of life and means of support. Clearly, for Castro, the costs of compliance far outweigh the costs of the sanctions.

The sixth and final test is another one of will. Are we willing to go to armed conflict to reach our objective if sanctions fail? If not, are we willing to pay the price in prestige of a strategic retreat? This idea of resorting to combat should sanctions fail gets to the heart of the matter— is this a case of vital national interest or not? It leaves no room for those sanctions intended for more limited purposes. “Though used frequently throughout history, embargoes or blockades have provided very uneven results. Economic sanctions have achieved the most success when the goals of the state imposing them have been modest and have achieved notably less effective results when the goals have been ambitious.”<sup>xliv</sup> Knorr also notes this relationship and differentiates between what he terms *high* and *low* policy.<sup>xlv</sup> High policy is the case where the imposition of sanctions is clearly stated and publicized, and consists of matters of vital national interest. Low policy, on the other hand, is low-key, often ambiguous and private, and the demands made are minor. “To conclude, we hypothesize that attempts at coercion by the use of economic leverage are more likely to succeed in conflicts of low policy than in conflicts of high policy.”<sup>xlvi</sup> It is also possible that to the country imposing sanctions, it is a matter of low value, while to the targeted nation, it is of much higher value. When this occurs, the imposing country can easily mistake the cost of compliance to the targeted country, one for whom the issue is a matter of high policy or vital national interest. This is often

the case where the U.S. finds itself. Inevitably, the targeted country is likely to see sanctions as proof of a lack of will and an inability on the part of the United States to risk serious casualties in war. From their point of view, the use of sanctions represents a desperate attempt on the part of the United States to wage war without incurring the risks and costs of warfare. Thus the recourse to sanctions during the early stages of a conflict can be seen as an indicator that the U.S. lacks resolve. For the targeted nation, on the other hand, the issue may be a matter of fundamental national interest. No other interest supercedes it. How much pain would Washington's army have endured before surrendering at Valley Forge? How much pain would the American Confederacy have been willing to endure, even after Gettysburg, to secure secession? How high a price were the Russians willing to pay at Leningrad or Stalingrad? It takes a great deal to compel capitulation where fundamental national interests are at stake. This brings us back to the test posed; if sanctions fail, are we willing to go to war or risk the loss of prestige that is the cost of retreat. In matters of high policy, war might very well be an alternative, but hopefully, not for matters of less than vital national interest.

Certain conclusions can be broadly drawn about economic coercion, its effects, and the role it can play in advancing a nation's national interests. The problem often is that without a true analysis of which elements of national power and in what combination they should be used, decisions are made as to which sphere should be preeminent and in what way it should be used. The synergy of using all elements of national power to achieve an end is the casualty of dividing responsibilities by function or due to internal

political exigency. This stands on its head the whole concept of strategy. We therefore often find ourselves shackled to the weapon of economic sanctions without an analysis or understanding of whether and how such coercion can be effective.

Prior to any action being taken, an "economic preparation of the battlefield" or "EPB" should be done. Much like the intelligence preparation of the battlefield (IPB) that defines military operations, the EPB can provide the basis for making decisions about economic weapons. EPB is an analytical methodology employed to reduce uncertainties concerning the economic effects of friendly courses of action on the enemy. It helps to determine and evaluate enemy capabilities, vulnerabilities and the feasibility of enemy courses of action. It becomes the basis for determining how friendly courses of action, specifically economic warfare, will affect the enemy and how the enemy will respond.<sup>xlvii</sup> It provides us with a focus for first deciding the objective and then the means.

As the various tests and our own military operational art tell us, objective is the preeminent factor in any form of conflict. "The selection of an *objective*— a mission, aim, or purpose of one's own efforts is without a doubt the first and the most important step in planning for war or for undertaking any military enterprise. It is the most fundamental and important principle of war applied across the full range of military operations.... Napoleon I Bonaparte aptly observed that the exclusiveness of purpose is the secret of success of all great operations. Once determined, all our efforts must be directed to accomplish the assigned objective. Without a clearly stated and attainable objective, the entire military effort becomes essentially pointless. Once the objective has been stated, the entire problem becomes greatly simplified. However, it is usually the

determination of the objective that is the most difficult part of any military planning. An objective can contain a wide range of elements, from those purely political and military, to economic, social, and even environmental. They also range from those purely physical (or tangible) to 'abstract' (or intangible). The higher the level of war, the more complex the objectives to be accomplished become."<sup>xlvi</sup> This is no less true when describing economic warfare or the use of coercive sanctions. Ultimately, an economic campaign plan, with its attendant identification of objective and means, must be formulated.

Based upon the concepts of EPB and objective, it is then possible to determine the proper target (center of gravity) and the linkage from the type of economic coercion to the effect it will have on the enemy. This forms the basis for the economic campaign plan, which is a statement of the end state desired and the concept and process to get from present state to desired end state. This purposefully ignores the issue of whether sanctions can be used for other limited political effect. Regardless of whether the goal is a change in policy or the indication of displeasure, by methodically and analytically looking at the enemy and his systems, either a logical and causal path can be laid out to get the desired effect, or the determination can be made that other weapons must be used to gain the proposed end state. In any event, economic warfare, like all other forms, is best used with restraint and in combination with other elements in order to have the greatest effect. By following Ambassador Taylor's six-part test and using the EPB, we can provide the decision-maker with the information necessary to determine how economic warfare can best aid in achieving our national objectives.

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- <sup>i</sup> George W. Shepherd, Jr., ed. *Effective Sanctions on South Africa: The Cutting Edge of Economic Intervention*. (New York: Greenwood Press, 1991), vii.
- <sup>iii</sup> Klaus Knorr, "International Economic Leverage and Its Uses," in *Economic Issues and National Security*, ed. Klaus Knorr and Frank N. Trager (New York: National Security Education Program of New York University, 1977), 99-101.
- <sup>iii</sup> Robin Renwick, *Economic Sanctions* (Cambridge: Center for International Affairs, Harvard University, 1981), 90.
- <sup>iv</sup> Knorr, 107.
- <sup>v</sup> Ibid., 103.
- <sup>vi</sup> Ibid., 104.
- <sup>vii</sup> Paul D. Taylor, "Clausewitz on Economic Sanctions: The Case of Iraq," *Strategic Review* (Summer 1995): 50.
- <sup>viii</sup> Renwick, 70.
- <sup>ix</sup> Ibid., 71.
- <sup>x</sup> Donald G. Boudreau, "Economic Sanctions and Military Force in the 21<sup>st</sup> Century," *European Security* (Summer 1997): 41.
- <sup>xi</sup> Knorr, 111.
- <sup>xii</sup> Robert A. Doughty and Harold E. Raugh, Jr., "Embargoes in Historical Perspective," *Parameters* (Spring 1991): 25.
- <sup>xiii</sup> Taylor, 55.
- <sup>xiv</sup> Deborah L. Jenkins, "US Embargo against Cuba: Should It Be Continued?" (Unpublished Research Paper, Naval Postgraduate School, Monterey, CA, 1994), 10-11.
- <sup>xv</sup> Renwick, 83.
- <sup>xvi</sup> Renwick, 84.
- <sup>xvii</sup> Gary Clyde Hufbauer, Jeffrey J. Schott, and Kimberly Ann Elliott, "Economic Sanctions Reconsidered: History and Current Policy," quoted in Jenkins, 10-11.
- <sup>xviii</sup> Kimberly Ann Elliott and Gary Clyde Hufbauer, "Sanctions," in *Strategy and Force Planning*, eds. Strategy and Force Planning Faculty (Newport, RI: Naval War College Press, 1997), 297.
- <sup>xix</sup> Robert E. Looney and Craig Knouse, "Predicting the Success of Economic Sanctions," *The Jerusalem Journal of International Relations*, 13, no. 2 (1991): 44, quoted in Jenkins, 12.
- <sup>xx</sup> Renwick, 85.
- <sup>xxi</sup> Ibid., 85.
- <sup>xxii</sup> Elliot and Hufbauer, 297-298.
- <sup>xxiii</sup> Renwick, 89.
- <sup>xxiv</sup> Knorr, 108.
- <sup>xxv</sup> Ibid., 106.
- <sup>xxvi</sup> Haider Ali Khan, "Multiplier and Structural Path Analysis of Trade Sanctions," in *Effective Sanctions on South Africa: The Cutting Edge of Economic Intervention*, ed. George W. Shepherd, Jr. (New York: Greenwood Press, 1991), 26.
- <sup>xxvii</sup> Paul D. Taylor, "Economic Coercion in the Service of National Security" (address presented at the Current Strategy Forum, U.S. Naval War College, 16 June 1998).
- <sup>xxviii</sup> Ibid.
- <sup>xxix</sup> Renwick, 81.
- <sup>xxx</sup> Ibid., 81.
- <sup>xxxi</sup> National Public Radio's Talk of the Nation (3 February 99).

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- <sup>xxxii</sup> Robert S. Ross, "China in Economic Sanctions and American Diplomacy," in *Economic Sanctions and American Diplomacy*, ed. Richard N. Haass (New York: Council on Foreign Relations, 1998), 17.
- <sup>xxxiii</sup> Doughty and Raugh, 26.
- <sup>xxxiv</sup> Boudreau, 43.
- <sup>xxxv</sup> Taylor, "Economic Coercion" address.
- <sup>xxxvi</sup> Boudreau, 42.
- <sup>xxxvii</sup> James A. Shear, "Global Institutions in a Cooperative Order," 266.
- <sup>xxxviii</sup> Renwick, 77.
- <sup>xxxix</sup> Ibid., 82.
- <sup>xi</sup> Economist Intelligence Unit, *Country Report: Jordan*, No. 3, 1988, Appendix 2.
- <sup>xii</sup> Central Intelligence Agency, "Jordan," *1998 CIA World Factbook* (<http://www.odci.gov/cia/publications/factbook/index.html>).
- <sup>xiii</sup> Ken Roth, executive director of Human Rights Watch, NPR's Talk of the Nation (3 February 99).
- <sup>xiiii</sup> Elise Ackerman, "Cuba Embargo: Off the Mark," *Journal of Commerce* (2 October 1992), Academic Universe, Lexis-Nexis, Journal of Commerce, Inc. (2 April 1999).
- <sup>xiv</sup> Doughty and Raugh, 21.
- <sup>xv</sup> Knorr, 108.
- <sup>xvi</sup> Ibid., 109.
- <sup>xvii</sup> U.S. Army, *Intelligence Preparation of the Battlefield* (Field Manual 34-130) (Washington, D.C.: 23 May 1989), 1-1.
- <sup>xviii</sup> Milan Vego, *On Operational Art* (NWC 1035B) (Newport, RI: U.S. Naval War College, September 1998), 121.



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